

EDWARD J. MARKEY

7TH DISTRICT, MASSACHUSETTS

ENERGY AND COMMERCE COMMITTEE

RANKING MEMBER  
SUBCOMMITTEE ON  
TELECOMMUNICATIONS AND  
THE INTERNET

SELECT COMMITTEE ON  
HOMELAND SECURITY

RESOURCES COMMITTEE

# Congress of the United States

House of Representatives  
Washington, DC 20515-2107

December 2, 2003

2108 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-2107  
(202) 225-2836

**DISTRICT OFFICES:**

5 HIGH STREET, SUITE 101  
MEDFORD, MA 02155  
(781) 396-2900

188 CONCORD STREET, SUITE 102  
FRAMINGHAM, MA 01702  
(508) 875-2900  
[www.house.gov/markey](http://www.house.gov/markey)

The Honorable Joe Barton  
Chairman  
Energy and Air Quality Subcommittee  
2109 Rayburn Building

The Honorable John Shimkus  
Member  
Energy and Air Quality Subcommittee  
513 Cannon

Dear Joe and John:

I am writing to call your attention to Section 146 of H.R. 2673, the "Consolidated Appropriations Act of 2004" (see enclosure 1).

You may recall that at the end of the November 17, 2003 meeting of the House and Senate energy conferees, House Energy and Commerce Committee Chairman Billy Tauzin offered a surprise amendment to the energy bill conference report (see enclosure 2) which would have subsidized the diversion of the proposed Alaska Natural Gas Pipeline away from its assumed linkage to pipelines connecting to Chicago and other points in the Midwest, and instead towards an Alaskan terminus at Valdez. Moreover, it would have provided \$2 billion in federal loan guarantees for the construction of a liquefied natural gas facility at the new terminus to transport LNG from Alaska to the west coast of the United States. This provision, which was in neither the House nor the Senate energy bills, raised a number of serious substantive and procedural questions among the House conferees and was ultimately defeated by a roll call vote of 5 to 7 (see enclosure 3). Both of you joined with me and the other Democratic conferees in voting against the proposal.

I am writing you at this time because it appears that the same proposal that you and I both voted against has now resurfaced in the omnibus appropriations bill, which I am told is to be voted on when the House reconvenes on December 8th. Buried deep inside the bill (starting on page 1068 of the 1101 page document) appears a new \$1 million appropriation "for the purposes described in Section 386 of the Energy Policy Act of 2003" – that is, the provision of federal loan guarantees for the Alaska Natural Gas Pipeline, a provision of the energy bill conference report on H.R. 6 that has not yet even become law, and which may never become law due to a Senate filibuster.

What's more, this provision of the appropriations bill goes on to state that "upon that Act [the energy bill] becoming law, section 386 is amended through this Act" by making several amendments that have the effect of authorizing \$2 billion in federal loan guarantees for construction and operation of a liquefied natural gas project to transport liquefied natural gas from Southcentral Alaska to West Coast states. The provision also redefines the "qualified infrastructure project" that can receive these federal loan guarantees to include "liquefaction plants and liquefied natural gas tankers for transportation of liquefied natural gas from Southcentral Alaska to the West Coast." I continue to object to the inclusion of this unwarranted expansion of an already very large taxpayer subsidy to huge global oil and gas companies such as Conoco Phillips, BP and Exxon Mobil. This proposal has not ever been carefully scrutinized or vetted.

As you know, in recent years, a number of existing LNG terminals have either been expanded or reopened to meet increasing demand, while numerous other liquefied natural gas terminals are currently being planned for construction at various sites around the country. At the same time, new LNG tankers are being ordered and built -- all without the provision of any taxpayer-subsidized federal loan guarantees. I see no reason why the American taxpayer needs to subsidize this particular project. Given your opposition to this proposal and your prominent place in the shaping of energy policy for the Republican caucus, I urge you to take immediate action to strip this controversial provision from the consolidated appropriations bill, or, barring that, to join me in voting against this bill.

Thank you for your attention to and consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to be 'Ed' followed by a stylized flourish.

Ed Markey

Enclosures